

FISCAL NOTE

SB 1409 - HB 1830

March 22, 2007

SUMMARY OF BILL: Increases from 1,500 to 2,000 the maximum number of acres that a person may place under greenbelt classification for property tax purposes.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Decrease Local Govt. Revenues - \$833,000

Increase Local Govt. Expenditures – Not Significant

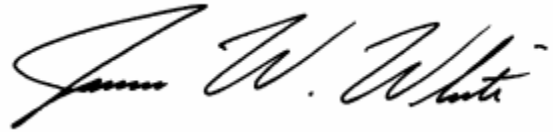
Assumptions:

- 197,344 parcels currently qualify for greenbelt classification statewide.
- Approximately 0.0015 of these parcels are at the 1,500 acre limit
 $197,344 \times 0.0015 = 296$
- Increasing the acreage limit from 1,500 to 2,000 acres would result in an average increase of 250 additional acres classified as greenbelt. Therefore the total increase in greenbelt acreage is estimated as:
 $296 \times 250 = 74,000$ acres
- Fair market value of \$2,500 per acre; however, the use value which is used to determine valuation rates for greenbelt properties is estimated to be \$1,000 per acre. Therefore, property taxes would be applied at \$1,500 less per acre. The decrease in the taxable value of such property is estimated as:
 $\$1,500 \times 74,000 = \$111,000,000$
- Taxes are paid on 25% of the value of such property
 $\$111,000,000 \times 25\% = \$27,750,000$
- An average statewide property tax rate of \$3.00 per \$100 of value.
 $\$27,750,000 \times .03 = \$832,500 =$ Total decrease in local government revenue.
- Any increase in local government expenditures to implement such changes is estimated to be not significant.
- Any increase in state expenditures to implement such changes is estimated to be not significant.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director